

106TH CONGRESS  
1ST SESSION

# S. 1409

To amend the Internal Revenue Code of 1986 to reduce from 24 months to 12 months the holding period used to determine whether horses are assets described in section 1231 of such Code.

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## IN THE SENATE OF THE UNITED STATES

JULY 21, 1999

Mr. McCONNELL (for himself and Mr. BUNNING) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce from 24 months to 12 months the holding period used to determine whether horses are assets described in section 1231 of such Code.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. HOLDING PERIOD REDUCED TO 12 MONTHS**

4 **FOR PURPOSES OF DETERMINING WHETHER**

5 **HORSES ARE SECTION 1231 ASSETS.**

6 (a) IN GENERAL.—Subparagraph (A) of section  
7 1231(b)(3) of the Internal Revenue Code of 1986 (relating

1 to definition of property used in the trade or business)

2 is amended by striking “and horses”.

3 (b) EFFECTIVE DATE.—The amendment made by

4 this section shall apply to taxable years beginning after

5 December 31, 1999.

